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MSC BAINFING

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## APERABISTAN SITUATION

- I. In little more than ayear, we have seen afghanistan transformed from a proudly independent Asian buffer kingdom, having most of its limited political and economic contacts with the vest, into an embittered mation, united in a policy of "liberation" for Pushtoonistan which threatens not only to rupture siready strained relations with Pakistan (its southern neighbor and traditional trade outlet) but to bring the Afghaus periously close to Soviet casp.
  - A. Pushtoonistan issue (which in most extreme form demands independence for one-fifth the people, one-half the territory of West Pakistan) has its genesis in Eurand Agreement (1893), which put frontier area, ruled by Afghans in 18th and 19th Centuries, under British Raj in India.
  - Afghanistan complaint (that Durand Agreement made under duress) was inoperative while British ruled, but came to life again in '47 when strong EK hand was replaced by weak new Fakistaa.
  - C. Pushtoon issue source of bad feeling between Afghans and Paks ever since, but became really serious after Sep '63. when fiery young princeling David Mohammad Khan became Prime Einister, made Pushtoon independence major Afghan policy.

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- II. First straws in shifting wind were series of '54 Afghan credit sgreenests with Czechs, Soviets (\$11.8 million for development projects) together with increased barter trade with Bloc.
  - A. Next, an inflammatory Pushtoonistan speech by Daud, in Mar '55, provoked Afghan mob attacks on two Pak diplomatic establishments and started bitter quarrel.
  - D. Pake forbade Afghane use normal trade route to sea, in hopes this pressure would force Daud's removal.
  - C. Dand countered by importing most vital meeds (gasoline, cement) from USSR, arranging to use trans-Seviet routes for trade. Simultaneously, Afghans received new offers Noviet aid.
- III. Although nominal "settlement" of Afghan-Pak dispute (Sep '55)

  left Daud humiliated and Pushtoonistan issue momental aub
  merged, hoped-for return to normal failed to materialize:

  instead, Afghans continued exploration of advantges in dealing
  with Bloc.
  - A. Transit routes through USSR: terms of June '55 agreement with Soviets apparently liberal: shipment to and from Germany via Black Ses and Baltic ports is shorter and faster.
    - i. Examples (see map): Kabul-Kamburg-(wis Indian Ocean) 8,800 mi.
      (wis Black Sea) - 5,700 mi.
      (wis Baltie) - 4,400 mi.

B. Soviet petroleum imports: present Afghan lack of interest in resumption shipments Western POL via Pakistas indicates increased reliance on POL from USSE.

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- IV. To rally support for new policy, Daud had King Zehir Summon Grand Assembly of Tribes (third such in 25 years), won approval for his Pushtoonistan program.
  - A. Although some opposition on grounds that Pushtoon matter
    was unfortunate quarrel between co-religionist neighbors,
    Assembly declared that—in view of support for Paks from
    certain "great powers"—Dand should implement Pushtoon
    program by "any and all possible means," with any assistance "honorably procurable."
    - 1. Issue of whether aid from Bloc "honorable" quickly settled by citation Egyptian arms deal, villingness of Saudi "custodians of holy places" to approach Bloc.
  - hand to foreign policy, made Pushtoon program an Afghan national objective.
    - One possible consequence his new strength was 27 Nov forced resignation Gen. Arif, Defense Minister, and assumption Defense portfolio by Raud.
    - Royal family, long considered stronghold of Afghan conservation, apparently closing ranks around Daud.

- V. In terms long-range economic development, main US investment in Afghanistan is H imand Valley Development (in southeast), financed by some \$40 million EX-IN Bank funds and under construction by Morrison-Knudsen. Although Helmand project sought by Afghans, they now increasingly critical of costs and long-term nature, and desirous of revisions.
  - various good sources" that USSR has offered to take over Helmand project, pay off EX-IN loan for Afghans, take own payment in Afghan exports (EX-IN deal involves dollar payments at 4%

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- VI. Although Dand and rest of Afghans almost certainly want to remain independent of the Bloc, Afghanistan's determination to pursue its anti-Pakistan policies at almost any cost has already led it to compromise its traditional "buffer state" position. The drift toward the Bloc has strong unfavorable atrategic implications for the West.
  - A. Closer Bloc ties would, to all intents, make Afghanistan a bostile salient in middle of "Morthern Tier."
    - 1. Shah of Iran on 28 Nov expressed concern over this problem to Ambassador Chapin: Turks also perturbed.

- B. Bloc aid to Afghans (arms, money) could permit extension of already active Afghan bribery of Pushtoon burder tribes, promote further Pakistan border incidents.
  - 1. Such trouble close to home would further distract
    Pakistani attention from real size of Baghdad Pact.
- C. Most logical Pakistani counter-measure-incitement of tribes on its side of border, forceable overthrow of hand regime-is blocked by fear such action would only create chaos in Kabul and would open the door to bring foviet "intervention" under terms its treaties with Kabul.
- VII. The WSSR, for its part, is probably content to have Afghanistan remain nominally independent, so long as the Afghan tendency to drift away from the West and toward the Bloc continues.
  - A. Thus, we do not expect the USSR to take early action to secure firm control of Afghanistan, either by subversion or direct military intervention.
  - B. However, the Seviets will almost certainly act vigorously to maintain and develop their present favorable position.